

4. PROTECTING THE ENVIRONMENT

There is a new understanding today in the world between the bonds that connect human beings and their natural environment. We know we have to preserve them, and we know that in the end economic development itself cannot occur unless the environment is preserved.

President Clinton
May 1997

With the historic December 1997 international agreement in Kyoto calling for cuts in greenhouse gas emissions, the Administration capped a remarkable year of environmental successes. History has shown that the Nation does not have to choose between a strong economy and a clean environment. The President's policies have contributed to five years of both strong economic growth and a cleaner, healthier environment.

Along with the Kyoto Protocol, the Administration has issued new, more protective air quality standards to better safeguard public health and the environment, and has strengthened our citizens' right to know about toxic chemical releases. It has continued its efforts to protect our natural treasures, such as Yellowstone National Park, the Everglades, Grand Staircase National Monument, and the Headwaters redwoods, from environmental threats. It has secured \$699 million in the Land and Water Conservation Fund for acquiring Headwaters Forest, the New World Mine near Yellowstone, and other high-priority land acquisitions to protect key natural, cultural, and historic resources. It has cleaned up more toxic waste sites in its first four years than the previous two administrations did in 12, and it is continuing to advance toward the President's goal of 900 site cleanups by the end of year 2001.

While Americans want a Government that helps protect the environment and our natural resources, they do not want to burden business unduly, choke innovation, or waste taxpayer dollars. If sensibly designed and flexibly implemented, environmental initiatives can cost less while providing unforeseen economic op-

portunities. Americans have met environmental challenges because we innovate, we compete, and we find solutions to problems in ways that promote entrepreneurship and strengthen the economy.

To implement his vision for the environment and our natural resources, the President is proposing an Environmental Resources Fund for America to support increases for many of the Nation's key environmental programs. The Fund provides for enhanced construction, maintenance, and land acquisition for national parks, forests, refuges and other public lands; a new multi-agency initiative to improve our Nation's water quality; infrastructure funding for community drinking water and wastewater facilities; and resources to clean up abandoned hazardous waste sites. The budget also includes a new, five-year \$6.3 billion program to implement the President's commitment to prevent global warming, as well as increased resources to protect endangered species, carry out pollution control programs, and preserve the global environment.

Approaches for Environmental Success

Preventing Global Warming: In December, the United States reached an historic agreement with other nations to meet the challenge of global warming. The Kyoto Protocol establishes realistic, achievable, and binding commitments to reduce greenhouse gas emissions and reflects the Administration's commitment to use market mechanisms to tackle the problem in innovative and flexible ways.

Improving Air Quality: In July 1997, the Administration took the most far-reaching

steps in 20 years to improve our air quality by cutting smog levels and, for the first time ever, setting standards to lower the levels of fine particles in the atmosphere. These standards will prevent adverse health effects for people of all ages and may prevent up to 15,000 premature deaths a year.

Reflecting the Administration's approach to regulatory decision making, however, the President directed that the Environmental Protection Agency (EPA) implement the standards in ways that will maximize common sense, flexibility, and cost-effectiveness. He directed that implementation maintain the progress underway toward cleaner air, reward early action to reduce air pollution, employ regulatory flexibility to minimize economic impacts, and recognize the substantial lead time needed to implement the new fine particle standard. Further, the President directed EPA to complete a new science review of the standard before imposing any new controls to meet it.

Restoring the Everglades: The budget supports the continued Federal, State, local and Tribal efforts to implement the restoration project for the South Florida ecosystem, which the Administration began in 1993 and Congress authorized in the 1996 Water Resources Development Act. In 1999, the Army Corps of Engineers will complete the Central and Southern Florida Comprehensive Review Study, providing long-term direction for restoration efforts.

In December 1997, Vice President Gore announced the Government's intent to purchase (with non-Federal partners) 50,000 acres of land (known as the "Talisman" tract) on the northern edge of Everglades National Park. This land, formerly used for sugar farming, will serve as a critical buffer zone between the Everglades and the sugar plantations to the north, helping to re-establish the essential natural flow of water into the Everglades and improve water quality.

Along with better water flows and water management, the budget recognizes the need for scientific guidance and land acquisition to restore the Everglades' hydrologic functions, providing a steady funding source for these needs. The budget proposes \$282 million, 24 percent more than Congress approved

in 1998, continuing the Administration's support for the Everglades Restoration Initiative to accelerate the restoration effort and provide the steady funding source for land acquisition, science, and modified water delivery.

Saving Yellowstone Park: To protect Yellowstone National Park, the Federal Government agreed in August 1996 to acquire Crown Butte, Inc.'s interest in the New World Mine, whose development posed a severe environmental threat to Yellowstone's unique landscape and wildlife resources. In 1998, the Administration sought, and Congress provided, \$65 million to proceed with this agreement, which will preserve one of the crown jewels of the National Park System. Crown Butte will dedicate \$22 million to clean up contamination at the site from earlier mining activities. The Administration is working with Crown Butte and other parties to complete the acquisition.

Protecting Headwaters Forest: In 1998, the Administration sought, and Congress provided, \$250 million to acquire the Headwaters Forest in northern California, the largest privately-owned stand of ancient redwoods. As part of the acquisition, the Administration is committed to ensuring that Headwaters and its threatened and endangered inhabitant species are protected. As a result, the Administration is developing, and has made significant progress on, a scientifically and technically sound habitat conservation plan and an environmental impact statement. The Federal Government and State of California expect to acquire Headwaters by March 1999.

Preserving Other Natural Resources: As part of last year's budget agreement with Congress, the Administration secured \$699 million in 1998 for priority Federal land acquisitions and exchanges. After financing the top two priorities—protecting the Headwaters Forest and saving Yellowstone—\$362 million remained to invest in other priorities for parks, forests, refuges, and public lands. The Administration is considering potential acquisitions to restore the Elwha River in Olympic National Park, protect bison winter habitat outside Yellowstone, acquire the Baca Ranch in New Mexico, add lands to the Santa Monica Mountains National Recreation Area, complete the Appalachian Trail, and preserve key Civil War battlefields.

Targeting the Conservation Reserve Program (CRP): In this Agriculture Department (USDA) program, landowners establish long-term conservation practices on erodible and environmentally sensitive land in exchange for 10 to 15 years of rental payments. The 16.1 million acres accepted into the CRP in March 1997, out of 23.2 million acres that farmers bid, will increase the environmental benefits by nearly 85 percent for every dollar spent, compared with earlier CRP sign-ups. At the same time, program costs are falling, with the Department paying 21 percent less per acre—saving over \$1.6 billion over the life of the program. Within the CRP, the Conservation Reserve Enhancement Program targets priority lands to better address water pollution and protect endangered species.

Protecting Roadless Areas and Improving the Forest Road System: The 73 million acres without roads in our National Forests have outstanding ecological, aesthetic, and social value. They are often the refuge of last resort for rare species and the source areas of municipal water supplies. The Forest Service is working to meet public access needs in an ecologically sensitive manner, ensuring that we protect these roadless areas for future generations. At the same time, the extensive Forest Service road system is rapidly eroding—risking public safety and contributing to environmental damage in some national forests. The budget proposes \$218 million, a 20-percent increase over the 1998 level, for investments in road maintenance and reconstruction, road closures and obliteration, and watershed improvements that are critically important to salmon, water quality, and other resource management goals. The budget also proposes to eliminate the timber purchaser road credit program, and provide a stable payment to counties that is not linked to timber harvest volume.

Enhancing Citizens' Right to Know: The Administration continues to expand the information available to citizens on substances being released into their neighborhoods. In the decade since community right-to-know legislation went into effect, the law has helped spur a 43-percent cut in toxic emissions by industry. In April 1997, the Administration increased by 30 percent the number of facilities covered by adding seven sectors that must report under

the program. This expansion comes on top of a 1995 rule that nearly doubled the number of toxic chemicals that facilities must report.

Redeveloping Contaminated Land: The Administration has established a Brownfields National Partnership, bringing together the resources of over 15 Federal agencies to help empower and revitalize communities. The Partnership is just one piece of the Administration's efforts to help thousands of communities clean up and redevelop Brownfields—abandoned pieces of land, usually in inner cities, that are highly contaminated from previous industrial use. The Partnership—which includes a \$300 million Federal investment—will leverage an expected \$5 billion to \$28 billion in private investment, support up to 196,000 jobs, and protect up to 34,000 acres of undeveloped “greenfield” areas outside of cities.

Restoring the Presidio of San Francisco: The Administration has established a Government corporation, known as the Presidio Trust, to rehabilitate and lease hundreds of unused buildings in the Presidio of San Francisco, once a military base and now a national park. The Presidio Trust will restore these houses and offices in a manner consistent with park purposes, then lease them to families and businesses. To cut taxpayer costs, the budget provides for the Presidio Trust to borrow \$25 million from the Treasury in both 1999 and 2000 to fund these improvements, and repay the money through future lease receipts.

Making the Endangered Species Act (ESA) Work: Administration reforms have improved the way the ESA works. Habitat Conservation Plans (HCPs), for example, give State, local, and Tribal governments and the private sector the flexibility to protect endangered species and conserve habitat, while allowing for development. HCPs will cover an estimated 7.3 million acres by the end of 1998. The Administration is also providing earlier protection for species to preclude their listing as endangered. For instance, the Federal Government has entered into 40 Candidate Conservation Agreements (CCAs) with private landowners or State and local governments, providing benefits to over 200 species and preventing the listing of five.

Environmental and Natural Resource Investments

The budget proposes to boost funding for high-priority environmental and natural resources programs by five percent, compared to 1998 levels (see Table 4-1).

Reducing Greenhouse Gases and Promoting Energy Efficiency: Last fall, the President announced a nine-point plan to begin addressing climate change, including a five-year package of tax incentives and research and development spending to spur energy efficiency and help develop low-carbon energy sources. With the historic agreement in December 1997 to reduce greenhouse gas emissions, the President now proposes a \$6.3 billion package of tax incentives and research spending. The budget provides \$1.7 billion in 1999 for the Climate Change Technology Initiative, nearly doubling the 1998 level, as a down-payment on the President's five-year commitment. (For a more detailed discussion of the Administration's climate change efforts, see Chapter 6, "Promoting Research.")

Creating the Environmental Resources Fund for America: The budget proposes the Environmental Resources Fund for America, an innovative financing mechanism for environmental initiatives. It provides \$7.7 billion, 14 percent more than in 1998, for many key environmental restoration programs and is financed, in part, by the proposed renewal of taxes that support the Superfund program. The Fund includes:

- ***Land, Water, and Facility Restoration Initiative:*** National parks, refuges, forests, and public lands are the heart of the Nation's natural, cultural, and historical legacy. As custodians of these resources, Federal land management agencies face growing demands to invest more to restore lands and rehabilitate an aging infrastructure of public facilities and trails. These needed investments would protect wildlife habitat, maintain historic sites, and preserve the many national treasures, from the Acadia National Park in Maine to Independence Hall to the California Desert, that constitute our legacy for future generations. The budget proposes a \$92 million, or eight percent, increase for construction and maintenance for national

parks, forests, refuges, public lands, and Indian schools, with which the agencies will focus on top priorities and control costs through better management. It also includes a broad initiative to invest more in land acquisition and historic preservation—a 43-percent increase in spending over the next five years from the Land and Water Conservation Fund and a 12-percent increase from the Historic Preservation Fund.

- ***Clean Water and Watershed Restoration Initiative:*** Commemorating the 25th anniversary of the Clean Water Act, the Vice President last October announced a Clean Water Initiative—an action plan to focus on three remaining challenges to restore and protect the Nation's waterways: (1) preventing polluted runoff; (2) protecting public health; and (3) ensuring community-based watershed management. USDA and EPA are leading an inter-agency task force to develop the plan by February 14, 1998, relying on better coordination and targeting of Federal activities and resources, public participation, and innovative approaches to pollution control.

The budget includes \$568 million, a 35-percent increase over the 1998 level, for this multi-agency initiative, including more mandatory funding for USDA's Environmental Quality Incentives Program to help farmers prevent polluted runoff; for the Forest Service and the Interior Department to better address water quality problems on Federal lands; for EPA to provide grants to States to implement water quality improvement projects; for the National Oceanic and Atmospheric Administration (NOAA) to help States and local communities protect their coasts from the pollution that leads to degradation; for Interior's U.S. Geological Survey and USDA to increase water quality monitoring and research, with a focus on nutrient pollution; and for the Army Corps of Engineers to begin a new riverine ecosystem initiative—"Challenge 21"—to plan and implement projects that restore watersheds while providing flood hazard mitigation for communities.

Table 4-1. ENVIRONMENTAL/NATURAL RESOURCES HIGH-PRIORITY PROGRAMS

(Discretionary budget authority unless otherwise noted; dollar amounts in millions)

	1997 Actual	1998 Estimate	1999 Proposed	Dollar Change: 1998 to 1999	Percent Change: 1998 to 1999
Climate Change Technology Initiative (DOE, EPA, USDA, DOC, HUD):	743	819	1,713	+894	+109%
Spending	(743)	(819)	(1,292)	(+473)	+58%
Tax Incentives			(421)	(+421)	NA
Environmental Resources Fund for America (EPA, USDA, DOI, DOC, Corps)	6,361	6,722	7,672	+950	+14%
Priority Land Acquisition (BBA):		699		NA	NA
Headwaters (CA)		(250)		NA	NA
New World Mine (MT)		(65)		NA	NA
Environmental Protection Agency (EPA): Operating Program	3,109	3,328	3,603	+275	+8%
Subtotal, All EPA	6,799	7,361	7,771	+410	+6%
Department of the Interior (DOI):					
National Park Service Operating Program	1,155	1,246	1,321	+75	+6%
Bureau of Land Management Operating Program	674	685	726	+41	+6%
Fish and Wildlife Service Operating Program	525	595	676	+81	+14%
Geological Survey Water Quality Initiative	138	134	156	+22	+16%
Subtotal, DOI (Select programs)	2,492	2,660	2,879	+219	+8%
Department of Agriculture (USDA):					
Forest Service Operating Program	1,321	1,348	1,418	+70	+5%
Natural Resources Conservation Service Operating Program	693	694	742	+48	+7%
Environmental Quality Incentives Program (Mandatory)	200	200	300	+100	+50%
Wetlands Reserve Program (Mandatory)	118	176	127	-49	-28%
Conservation Reserve Program (Mandatory)	1,691	1,860	1,718	-142	-8%
Subtotal, USDA (Select programs)	4,023	4,278	4,305	+27	+1%
Land & Water Conservation Fund (LWCF) (DOI/USDA)	159	270	270		
Department of Energy (DOE):					
Energy Conservation and Efficiency (gross)	570	612	809	+197	+32%
Solar and Renewable Energy R&D (net)	247	272	372	+100	+37%
Federal Facilities Cleanup (Environmental Management Program)	5,995	5,849	6,124	+275	+5%
Subtotal, DOE (Select programs)	6,812	6,733	7,305	+572	+8%
Department of Defense (DOD):					
Cleanup	1,994	2,140	1,924	-216	-10%
Environmental Compliance/Pollution Prevention/Conservation	2,293	2,466	2,281	-185	-8%
Environmental Technology	207	219	170	-49	-22%
Subtotal, DOD (Select programs)	4,494	4,825	4,375	-450	-9%
Department of Commerce (DOC)/National Oceanic and Atmospheric Administration (NOAA):					
Fisheries and Protected Species	295	319	326	+7	+2%
Ocean and Coastal Management	130	172	175	+3	+2%
Ocean and Atmospheric Research	228	240	234	-6	-3%
Subtotal, DOC/NOAA (Select programs)	653	731	735	+4	+1%
Department of Transportation (DOT):					
Congestion Mitigation and Air Quality	807	1,257	1,260	+3	+*%
Environmental Enhancements	426	568	561	-7	-1%
Subtotal, DOT (Select programs)	1,233	1,825	1,821	-4	-*%
Endangered Species Act (DOI/NOAA)	102	107	153	+46	+43%
Partnership for a New Generation of Vehicles (DOE, DOC, NSF, EPA, DOT)	234	227	277	+50	+22%
U.S. Global Change Research (NASA, DOE, NSF, DOC, others)	1,818	1,867	1,864	-3	-*%
GLOBE—Global Environmental Education (DOC, NASA, EPA, NSF)	13	12	14	+2	+17%
Montreal Protocol (State/EPA)	40	40	55	+15	+38%
Global Environment Facility (Treasury)¹	35	48	300	+252	+525%
Multilateral and Bilateral Assistance (International Assistance Programs/USAID)	246	312	322	+10	+3%
Total²	28,313	30,086	31,500	+1,414	+5%

NA = Not applicable.

* Less than 0.5 percent.

¹ 1999 includes \$192.5 million for payments in arrears.² Total adjusted to eliminate double counts, mandatory spending, and tax incentives; 1998 estimate excludes one-time priority land acquisition.

In addition, the budget proposes \$143 million for California Bay-Delta watershed restoration activities, the fully authorized amount and a 69-percent increase over 1998 funding. The program will continue focusing on basic investments to begin restoring this important ecosystem, with a special emphasis on acquiring critical wetlands habitat, managing flood plains, enhancing fish passage, and improving habitat along the Sacramento River.

- *Water Quality Infrastructure:* The budget proposes \$775 million in capitalization grants for Drinking Water State Revolving Funds (SRFs), which make low-interest loans to help municipalities meet the requirements of the Safe Drinking Water Act Amendments. These funds will help ensure that Americans have a safe, clean drinking water supply—our first line of defense in protecting public health. EPA also proposes \$1.1 billion in capitalization grants to Clean Water SRFs to help municipalities comply with the Clean Water Act, thus helping to reduce beach closures and keeping our waterways safe and clean.

These levels for the two SRFs make progress toward the Administration's goal of providing sufficient capital for the funds to offer \$2.5 billion a year in financial assistance to municipalities over the long run. In addition, the budget proposes targeted wastewater funds for areas facing unique circumstances—\$50 million for Boston Harbor, \$100 million for Mexican border projects, and \$15 million for Alaskan Native villages.

- *USDA Water 2000:* The budget provides funds for USDA's Water 2000 initiative—to bring safe drinking water to rural communities with some of the Nation's most serious problems of water availability, dependability, and quality—within its \$1.3 billion for rural water and wastewater loans and grants. With proposed Rural Community Advancement Program funding four percent above the 1998 levels, the Administration expects to fund 250 systems in 1999. Since the effort began in 1994, USDA has invested almost \$1.3 billion in loans and grants on high-priority Water 2000 projects Nation-wide.

- *Superfund Cleanups:* The budget proposes \$2.1 billion for Superfund, a 40-percent increase over the 1998 level. Combined with continuing administrative reforms, these funds will help meet the President's pledge to double the pace of Superfund cleanups. The Administration proposes to clean up another 400 sites within the next four years, meaning that about two-thirds of the Nation's worst toxic waste dumps would be cleaned up by the end of the year 2001 (see Chart 4-1).

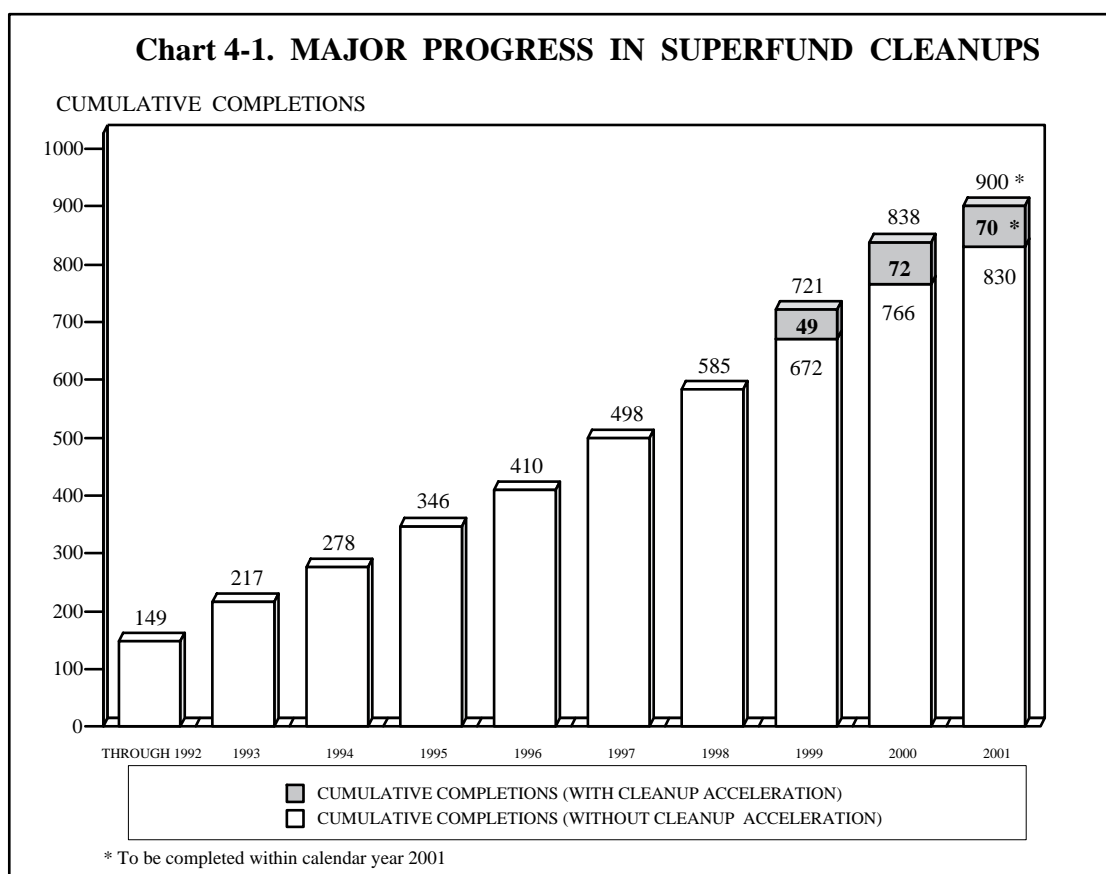
Extending the Brownfields Redevelopment Initiative:

The budget proposes to extend the President's Brownfields initiative, which promotes local cleanup and redevelopment, bringing jobs to blighted areas. First, EPA would receive \$91 million for grants to communities for site assessment and redevelopment planning and for revolving loan funds to finance clean-up efforts at the local level. Second, the Department of Housing and Urban Development would receive \$50 million, \$25 million more than in 1998, to leverage State, local, and private funds for redeveloping the cleaned-up sites and creating jobs. The President also proposes to extend the targeted tax incentive to spur Brownfields cleanup.

Enhancing Endangered Species Act Efforts:

The budget proposes a \$36 million increase, to \$113 million, for the Interior Department's endangered species program, mainly for the Administration's new reforms to encourage private landowners to protect species. The program is designed to increase the number of cooperative partnerships between the Federal Government and States, localities, and private parties to recover listed species and prevent the need to list more. The budget also proposes a \$10 million increase, to \$40 million, for NOAA's endangered species program, mainly focused on habitat conservation planning.

The budget increases funds to develop HCPs, make grants to States for land acquisition tied to HCPs, and provide incentive payments to landowners for safe harbor agreements. The funds will double the acreage that HCPs cover; improve the way HCPs are developed and implemented; extend CCAs between the Federal Government and landowners or State and local governments to protect 80 more species; keep 20 species off the endangered



species list; stabilize or improve the status of 60 percent of listed species; and declassify or delist 30 threatened and endangered species.

Funding the EPA Operating Program:

The budget proposes \$3.6 billion, an eight-percent increase over 1998, for EPA's operating program, which includes most of EPA's research, regulatory, partnership grants (with States and Tribes), and enforcement programs. The program represents the backbone of the Nation's efforts to protect public health and the environment through sound science, standard setting, enforcement, and other means, ensuring that our water is pure, our air clean, and our food safe.

Within the operating program, the budget proposes increases of \$145 million as part of the President's water quality initiative to address polluted runoff; \$115 million for research and conservation programs to cut greenhouse gas emissions; and \$65 million to establish a new network to monitor fine particulate matter. It also proposes significant

investments to improve Americans' right-to-know about toxic threats, by making information available for the 75 largest metropolitan areas in the country, and to address significant environmental health risks to children.

Providing Multilateral and Bilateral Environmental Assistance: The budget proposes \$322 million, three percent more than in 1998, for bilateral and multilateral environmental assistance. Bilateral assistance includes U.S. Agency for International Development (USAID) activities to address topics such as biodiversity, and to implement USAID's five-year, \$1 billion commitment to address climate change issues in developing countries. Multilateral assistance funds U.S. voluntary contributions to the UN environmental system and other international organizations to address international environmental activities.

Supporting the Global Environment Facility (GEF): U.S. participation in the GEF is a cornerstone of our foreign policy on the environment. The GEF has become the world's leading institution for protecting the global

environment and avoiding economic disruption from climate change, massive extinction of valuable species, and dramatic collapse of the oceans' fish population. The \$300 million proposal for 1999 includes \$193 million for contributions previously due and \$107 million for the initial contribution to the GEF's second four-year replenishment program, from 1999 to 2002. U.S. funding for these items is crucial if the Nation hopes to continue influencing GEF's policies and lending strategies.

Expanding the Federal Facilities Cleanup and Compliance: The Federal Government continues to address the huge challenge of cleaning up Federal facilities contaminated with radioactive or hazardous waste. The Energy Department (DOE) faces the most complex and costly problems from over 40 years of research, production, and testing of nuclear weapons and reactors. The Defense Department's (DOD) problems, meanwhile, include hazardous wastes like those found at industrial and commercial sites.

The budget proposes \$6.1 billion for DOE's Environmental Management program, including \$277 million for the Uranium Enrichment Decontamination and Decommissioning Fund.

The budget also proposes \$517 million to continue to privatize waste remediation at such sites as the Hanford (WA) and Idaho facilities, through which DOE pays for the delivery of treated waste that meets approved specifications. Privatization will help speed cleanups, reduce health risks, and cut costs at these sites.

DOD, which operates one of America's most diverse and successful environmental programs, is focusing its efforts on reducing relative risk at its active and closing installations. As of early 1998, it is conducting studies or clean-ups at 688 military installations and 2,721 formerly-used properties. Moreover, it has determined that 14,399 sites require no further action. DOD also is making progress in its compliance and pollution prevention, conservation, and environmental technology programs. The budget proposes \$4.4 billion for all DOD environmental activities; the decrease compared to the 1998 level is largely due to the completion of several one-time projects and of clean-ups at several closed bases. The Administration is committed to making all current and former DOD property safe and clean.